

Tip: Auditing vs. monitoring

Compliance Monitor - July 14, 2010

Many healthcare professionals refer to auditing and monitoring interchangeably, although the two have very different meanings.

Auditing is a formal review governed by professional standards. To be an audit, one must include:

- Completion by professionals who are independent of the operation under review
- A methodical and structured approach that includes planning, sampling, testing, and validating
- Formal communication with recommendations and corrective-action measures, followed by a documented follow-up of corrective actions

The chief audit executive or the chief compliance officer of the organization typically conducts the audit and involves a formal communication to the board of management.

Monitoring is a less structured than auditing, although some audit techniques are occasionally employed. Monitoring includes:

- Completion by operations personnel, as opposed to audit personnel
- Ongoing checking and measuring of fraud and abuse
- Periodic spot checks based on daily, weekly, or monthly tests
- Identification of the need for an audit

Departmental staff typically conducts monitoring, and it may involve the internal audit or compliance department. Think of monitoring as following trends, conducting analyses, and making adjustments accordingly.

This week's tip was adapted from The Healthcare Auditor's Handbook. For more information about the book or to order your copy, visit the [HCMarketplace](#).